SUBJECT: FRENCH SEEK TO INCORPORATE SOCIETAL PREFERENCES INTO EU
FOOD REGIME

¶1. Summary: In a memorandum submitted to the European Council on
June 23, France moved forward with its plans to require that
imported products conform to standards for EU production. The stated
goal is to offset higher costs of European producers due to EU
"societal" standards for food production. If approved, this change
could result in the imposition of tariff and/or non-tariff barriers
on agricultural imports for non-science, health or safety (and
likely non-WTO consistent) reasons. The GOF memo confirms that
France is poised to push harder on the European preference principle
(reftel) during its Presidency. End Summary

¶2. In an effort to ensure that EU production requirements do not
place European producers at an economic disadvantage to third
country exporters, France has put forward a three part proposal for
food, livestock and plant imports. First, import controls would be
strengthened at all EU points of entry to ensure the safety and
compliance of imported products with EU regulations. Comment: France
has often complained that border inspections and controls are too
lax in some Member States, allowing third country imports to escape
strict EU regulations.

¶3. Second, there would be a greater emphasis and application of SPS
risk analysis to manage risk factors associated with imports. The
European Food Safety Agency (EFSA) would play a more important role
in such scientific assessments of risks to human, animal and plant
health posed by goods imported to the European Union. Equivalent
protection systems in third countries would be considered, but the
EU would be more vigilant in their assessment of equivalency status.
 EU inspections, particularly in the plant sector, would be
increased and penalties for failure to comply would be more
stringent.

¶4. Third, to eliminate distortion in levels of production costs
between EU and third-country producers, imports would have to comply
with EU production. For example, incorporating societal choices,
such as animal welfare and traceability requirements, into
agricultural production and food standards raises the costs of
production for EU producers, and these types of requirements would
also have to be met by imported products. France is looking to have
these types of societal choices integrated more widely into
international trading standards to keep their producers competitive
by raising the costs of third country trading partners.

¶5. Comment: This initiative has become Agriculture Minister
Barnier's foremost priority for the French EU Presidency and has the
support of President Sarkozy. The European Preference (EP)
principle (i.e. the principle that EU products should receive
preferential treatment compared to imported goods, or at least, not
be put at a disadvantage) illustrated by this memorandum is also a
cornerstone of France's objectives for the Common Agricultural
Policy reform of 2013 (reftel). The EP principle appears to be
gaining support among EU Agriculture Ministers (Austria, Bulgaria,
Estonia, Finland, Hungary, Ireland, Italy, Latvia, Lithuania,
Luxemburg, Poland, Romania and Slovenia), but whether other elements
of EU government will support such a proposal, which clearly
challenges (and likely contravenes) current WTO protocols, remains
to be seen. End Comment.

STAPLETON